

ISRAEL IMPACT

Investment Objectives

- The Israel Impact portfolio is a domestic equity strategy built to provide an S&P 500 investment-like experience using only those companies who are active in Israel – including financial and strategic investments, cooperation and more.
- The Israel Impact portfolio creates an opportunity for the investor to not only exclude companies who violate the Israeli anti-embargo agreement, but to stand with Israel by investing in those companies that have a direct, positive impact on the economic growth and stability of the country.



Multi-Factor Smart Beta – Proceed with Caution

Boycott, Divestment and Sanctions Movement

The Boycott, Divestment and Sanctions (BDS) movement was launched in 2005. It was sponsored by the Arab League with the goal of delegitimizing and isolating Israel. Since that time there have been efforts by individuals, NGOs, companies, churches, communities and governments both in support of and opposition to the BDS movement.

During the mid-1970's, the United States adopted two laws that sought to counteract the participation of U.S. citizens in other nation's economic boycotts or embargoes. More recently, the state governments of Arizona, Illinois, New York, New Jersey and Rhode Island passed legislation banning investments in companies boycotting Israel¹.

Efforts have been made in the investment advisory profession to take advantage of screening processes such as those provided by MSCI, in order to aid in the construction of investment portfolios. The goal behind the use of these screens is to prevent the inclusion of companies that violated or allegedly violated the U.S. anti-boycott requirements reported by the U.S. Department of Commerce, Bureau of Industry and Security in their portfolios.¹

The Israel Impact portfolio goes a step further by taking an affirmative, inclusionary approach to screening. Instead of a negative/exclusionary methodology, Israel Impact proposes a positive impact policy that creates an investment portfolio built on the foundation of corporations actively engaged in Israel.

Israel Impact Model Portfolio Characteristics

- Benchmark: S&P 500
- Characteristics: Israel Impact screened universe
Number of holdings: 126
Largest holding: 3.57%
- Screens: Positive screening criteria for corporate engagement in Israel

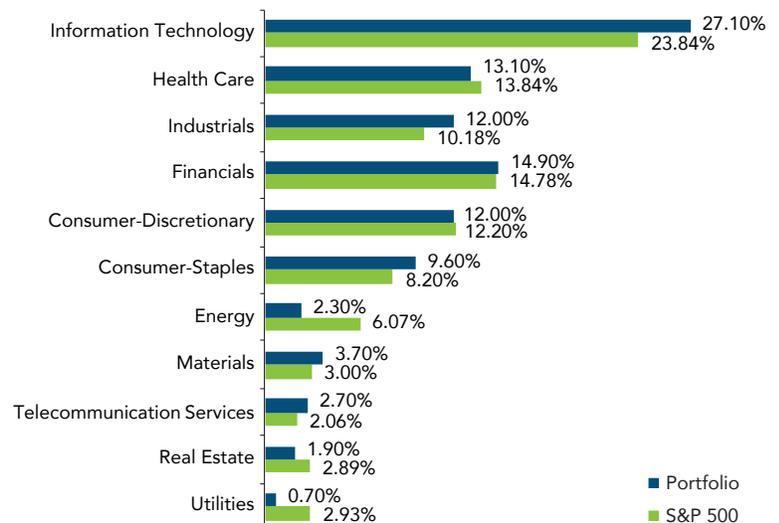
	Portfolio	S&P 500
Market Capitalization	\$ 210.90 B	\$ 197.09 B
Price/Earnings Ratio*	24.84	24.47
Price/Book Ratio*	4.01	3.39
Dividend Yield	1.90	1.83
Return on Equity	21.71	19.35
Beta	1.02	1.00
Number of Holdings	126	506

1: MSCI Global Sanctions Methodology: Arab Boycott List

* Median

Model portfolio characteristics as of the current quarter based on a hypothetical screened S&P 500 universe with screening data provided by IVC Research Center. Actual characteristics and performance may differ materially from the model.

Model Sector Weightings



Israel Impact Screening Criteria



Screening Resources

- **IVC Research Center**
Israeli High-Tech and
Venture Capital



Screening Criteria

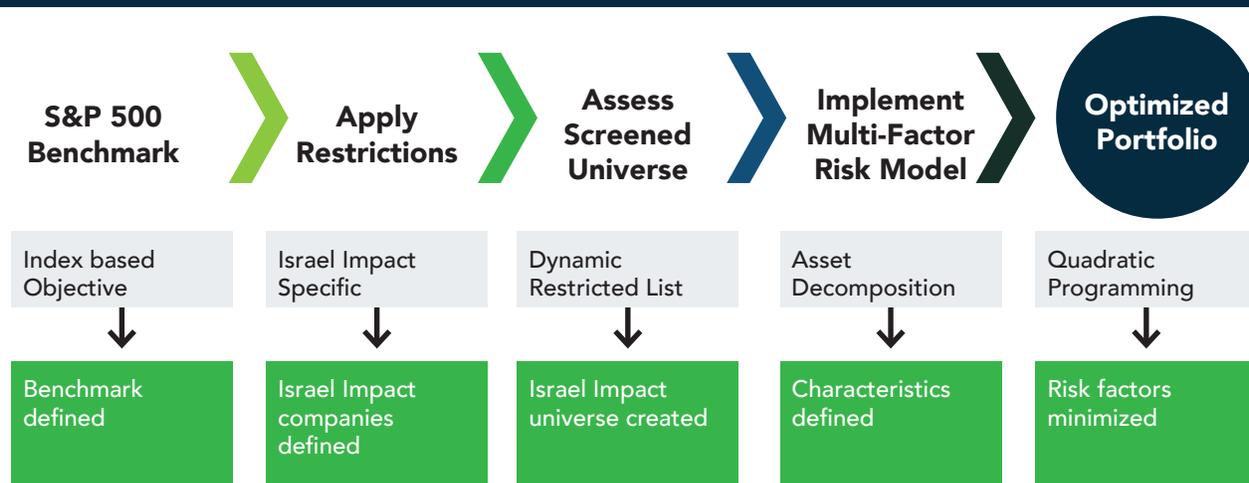
- Multinational corporate engagement within the Israeli High-Tech/VC industry
- Direct investments
- Acquisitions
- Israeli-based R&D facilities
- Employment
- Acceleration programs
- Incubation programs
- Joint ventures with Israeli academic Institutions
- Other relevant activities



Monitoring process

- Screen companies using IVC Research Center
- Identify companies active in Israeli High-Tech/VC industry
- Conduct additional analysis to determine which companies to include in client portfolios
- Evaluate companies to determine if they are eligible investments
- Process additions and deletions of portfolio holdings no less than annually
- Rebalance portfolio quarterly

Investment Process



Data Research and Analysis

Crossmark partners with IVC Research Center, Israel's leading business intelligence company specializing in analyzing and monitoring Israel's high-tech and venture capital industry. IVC's flagship product, The IVC-Online Database, is the most comprehensive resource on Israel's high-tech industry. The IVC-Online Database includes information on over 16,000 Israeli high-tech companies, foreign R&D centers and multinational corporations as well as thousands of venture capital and private equity investors, professional service providers and public sector entities.

Additional Factors:

- Based in Israel
- Accurate, comprehensive analysis of multinational corporations and their strategies involving the Israeli technology and VC industries
- Collecting and analysing historical and current information from high-tech companies, investors, media and publications since the early 90s
- Data collection is based on:
 - Public sources
 - Direct interaction with high-tech companies
 - Executives
 - Investors

Crossmark Global Investments Israel Impact Composite Full Disclosure Presentation

Year	Firm Assets (millions)	Composite Assets		Performance Results				Composite 3 Yr St. Dev.	Benchmark 3 Yr St. Dev.
		USD (millions)	Number of Portfolios	Composite Gross**	Composite Net	S&P 500	Composite Dispersion		
YTD 12/31/17*	5,456	3	8	24.60%	22.84%	21.83%	0.05%	n/a	n/a
4Q17*	5,456	3	8	7.11%	6.74%	6.64%	0.01%	n/a	n/a
3Q17	5,171	3	8	4.65%	4.28%	4.48%	0.11%	n/a	n/a
2Q17	4,906	2	5	4.03%	3.66%	3.09%	0.02%	n/a	n/a
1Q17	4,952	1	3	6.85%	6.48%	6.07%	0.05%	n/a	n/a

* The current quarter's data is preliminary.

** Supplemental information

The Israel Impact portfolio creates an opportunity for the investor to not only exclude companies who violate the Israeli anti-embargo agreement, but to stand with Israel by investing in those companies that have a direct, positive impact on the economic growth and stability of the country. This composite includes all discretionary wrap accounts that are managed in this style. The composite excludes portfolios for which the clients have imposed restrictions or requirements that impede the manager from fully executing their strategy such that the results will not be representative of the strategy. For comparison purposes, the composite is measured against the S&P 500 Index. The S&P 500 Index is large capitalization weighted index of 500 U.S. companies generally considered to be representative of stock market activity.

Crossmark Global Investments, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Crossmark Global Investments, Inc. has been independently verified for the periods January 1, 1995 through June 30, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

Crossmark Global Investments, Inc. is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The firm maintains a complete list and description of composites, which is available upon request. Effective 8/21/17 Capstone Asset Management Company changed its name to Crossmark Global Investments, Inc.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. The performance reflects the reinvestment of dividends and other earnings to the extent that client accounts included in the composite elected to reinvest dividends and earnings. Gross returns are shown as supplemental information and do not reflect the payment of investment advisory fees. Net performance was calculated using the hypothetical highest annual all inclusive wrap fee of 1.50% applied quarterly. Wrap accounts make up 100% of the composite for all periods shown. Wrap fees include Crossmark's portfolio management as well as all charges for trading costs, custody, and other administrative fees. The composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire period shown. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The three year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. The three year annualized standard deviation is not presented due to less than 36 months of performance results.

The management fee schedule is as follows: 0.35% maximum on all assets. Wrap fee schedules are provided by independent sponsors and are available upon request from the respective sponsor. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Investment advisory fees incurred by clients may vary. Past performance is not an indicator of future results. Investments made using this strategy involve risk of loss, including the potential loss of principle. For information on management fees, Crossmark Global Investments, Inc. Form ADV Part 2 is available upon request.

The Israel Impact Composite was created January 1, 2017.